

WASHINGTON STATE

ENERGY FACILITY SITE EVALUATION COUNCIL

Richard Hemstad Building

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Conference Room 206

Olympia, Washington

Tuesday, October 21, 2014

1:31 p.m.

MONTHLY COUNCIL MEETING

Verbatim Transcript of Proceeding

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## A P P E A R A N C E S

## Councilmembers Present:

Bill Lynch, EFSEC Chair  
Liz Green-Taylor, Department of Commerce  
Andrew Hayes, Department of Natural Resources  
Dennis Moss, Utilities and Transportation Commission  
Cullen Stephenson, Department of Ecology

## Attorney General's Office:

Ann Essko, Assistant Attorney General

## Local Government and Optional State Agency:

Bryan Snodgrass, City of Vancouver (via phone)  
Christina Martinez, Department of Transportation  
Jeff Swanson, Clark County  
Larry Paulson, Port of Vancouver

## Staff in Attendance:

Stephen Posner  
Sonia Bumpus  
Jim LaSpina  
Tammy Mastro  
Kali Wraspir  
Joan Aitken  
Cassandra Noble

## Guests in Attendance:

Mark Miller, Chehalis Generation  
Richard Downen, Grays Harbor Energy

## Guests in Attendance Via Phone:

Shannon Khounnala, Energy Northwest  
Eric Melbardis, EDP Renewables, Kittitas Valley  
Jay Derr, Van Ness Feldman  
Scott Woodward, Tri-Cities

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1 OLYMPIA, WASHINGTON, OCTOBER 21, 2014

2 1:31 P.M.

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4  
5 CHAIR LYNCH: Good afternoon. This is  
6 October 21st, and it is the regular monthly meeting of  
7 the Energy Facility Site Evaluation Council.

8 Could we please have roll call by the Staff.

9 MS. MASTRO: Department of Commerce?

10 MS. GREEN-TAYLOR: Liz Green-Taylor  
11 here.

12 MS. MASTRO: Department of Ecology?

13 MR. STEPHENSON: Cullen Stephenson here.

14 MS. MASTRO: Fish and Wildlife?

15 CHAIR LYNCH: Mr. Stohr is excused.

16 MS. MASTRO: Department of Natural  
17 Resources?

18 MR. HAYES: Andy Hayes is here.

19 MS. MASTRO: Utilities and  
20 Transportation Commission?

21 MR. MOSS: Dennis Moss for the  
22 Commission.

23 MS. MASTRO: Optional State Agencies and  
24 Local Government. Department of Transportation?

25 MS. MARTINEZ: Christina Martinez here.

1 MS. MASTRO: City of Vancouver?

2 MR. SNODGRASS: Bryan Snodgrass on the  
3 phone.

4 MS. MASTRO: Clark County?

5 MR. SWANSON: Jeff Swanson here.

6 MS. MASTRO: And Port of Vancouver?

7 MR. PAULSON: Larry Paulson here.

8 MS. MASTRO: Chair, there is a quorum.

9 CHAIR LYNCH: Thank you.

10 And if Councilmembers -- would like you to  
11 just take a quick look through the proposed agenda and  
12 see if you have any proposed additions.

13 Hearing none, let's go ahead and move forward.  
14 Could you please take a look at the minutes from the  
15 September 16th council hearing, and I would entertain  
16 a motion at any time for their approval.

17 MR. SWANSON: Chair, on Page 11 and on  
18 Page 13, I would like to note that we had Ms. Bumpus,  
19 not Mr. Bumpus.

20 CHAIR LYNCH: She has been called many  
21 things. That correction will be made. Thank you.

22 MR. SWANSON: In that case, I will make  
23 a motion that we approve the minutes.

24 CHAIR LYNCH: Do we have a second?

25 MR. HAYES: I'll second.

1 CHAIR LYNCH: It's been moved and  
2 seconded that we approve the minutes with those couple  
3 of corrections. All those in favor say "aye."

4 MULTIPLE SPEAKERS: Aye.

5 CHAIR LYNCH: Opposed?

6 Motion carries.

7 And is there anybody on the phone who would  
8 wish to identify themselves at this time?

9 This is Jay Derr from Van Ness Feldman in  
10 Seattle.

11 (Simultaneous talking.)

12 CHAIR LYNCH: I'm sorry, I think we had  
13 two people talking at the same time or we had -- could  
14 you -- it was a little garbled. Could we please have  
15 that again?

16 MR. MELBARDIS: Is that any better?

17 CHAIR LYNCH: That's better. Thank you.

18 MR. MELBARDIS: Okay. This is Eric  
19 Melbardis with EDP Renewables, Kittitas Valley.

20 MR. WOODWARD: And Scott Woodward from  
21 the Tri-Cities.

22 MS. KHOUNNALA: Shannon Khounnala from  
23 Energy Northwest.

24 CHAIR LYNCH: Okay. Let's go ahead and  
25 move forward. We have no action items today, but we

1 could have our first update. Mr. Melbardis for the  
2 Kittitas Valley Wind Project.

3 MR. MELBARDIS: Good afternoon, Chair  
4 Lynch, EFSEC Council. This is Eric Melbardis with EDP  
5 Renewables for the Kittitas Valley Wind Power Project.  
6 We had a great month, nothing nonroutine to report,  
7 other than we do have our Technical Advisory Committee  
8 meeting this Thursday, the 23rd. And Mr. LaSpina,  
9 EFSEC Staff, will be joining us for that.

10 CHAIR LYNCH: Mr. LaSpina, is there  
11 anything you would like to add?

12 MR. LaSPINA: No, Chair Lynch.

13 CHAIR LYNCH: Any questions for  
14 Mr. Melbardis?

15 Thank you.

16 Ms. Diaz.

17 MR. LaSPINA: Chair Lynch, Jennifer Diaz  
18 was not available today, so her report is on this  
19 page. And there is nothing nonroutine to report.

20 CHAIR LYNCH: Thank you, Mr. LaSpina.

21 Ms. Khounnala.

22 MS. KHOUNNALA: Yes, in regard to  
23 Columbia Generating Station, we have no nonroutine  
24 items to report for Columbia today.

25 CHAIR LYNCH: And so why don't you just

1 go ahead with WNP-1 and 4.

2 MS. KHOUNNALA: Sure. In regards to  
3 WNP-1 and 4, we did receive word from the Department  
4 of Ecology in early October that they had approved our  
5 application for a water rights permit. We will be  
6 receiving their special report in regards to that  
7 application at the end of the month, granting us their  
8 approval. There is a 30-day appeal period to that,  
9 upon which time, if there are no appeals during that  
10 time, the water rights permit will be issued to the  
11 Department of Energy. We expect that to occur  
12 sometime near the beginning of December. At that  
13 time, we will begin formally perfecting the water  
14 rights.

15 And I have no other items to report for WNP-1  
16 and 4.

17 CHAIR LYNCH: Thank you.

18 Are there any questions for Ms. Khounnala?

19 Why don't you just hang there on the line,  
20 Ms. Khounnala, because I don't know if there will be  
21 any questions after Mr. Posner's update.

22 Mr. Posner, do you want to let the Council  
23 know about what happened with Amon Creek?

24 MR. POSNER: Good afternoon, Chair  
25 Lynch, Councilmembers. I would like to give you an

1 update on the Amon Creek Preserve. The Amon Creek  
2 Preserve is a mitigation property which was --  
3 resulted from -- in part from four -- what we call a  
4 four-party agreement, which was developed in 2003, to  
5 address the terminated Nuclear Projects 1 and 4 at the  
6 Hanford Reservation. The four-party agreement -- the  
7 parties to the agreement were the State of Washington,  
8 Energy Northwest, BPA and the Department of Energy.  
9 Part of the four-party agreement addressed site  
10 restoration of the terminated 1 and 4 projects on the  
11 Hanford Reservation.

12 A key part of that agreement was payment to  
13 EFSEC and the State of Washington of approximately  
14 \$3.5 million. That money came from BPA, and that  
15 money was to be used for off-site mitigation as  
16 compensation for allowing a delay in final site  
17 restoration to the year of 2026. EFSEC, in Resolution  
18 313, which was described in -- which was issued in  
19 2005, describes in detail the off-site mitigation  
20 plan, which includes the purchase of various  
21 properties. One of those properties was the Amon  
22 Creek property.

23 In 2007, there was an agreement that was  
24 signed by EFSEC, Department of Transportation, City of  
25 Richland and the Tapteal Greenway Association, to



1 purchase this property. It was 60 acres. And then in  
2 2008, 15.5 acres were added to this property.

3 The agreement requires the property to be  
4 preserved as a public nature preserve. Part of that  
5 agreement addresses any deviation from that  
6 requirement. And if there is any action which would  
7 deviate from a public nature preserve, it is required  
8 that written consent be received -- or be granted by  
9 EFSEC and the Department of Transportation.

10 In 2011, the City of Richland installed a  
11 sewer line across the property. The City did not have  
12 permission from EFSEC or from DOT to install the sewer  
13 line. And recently, in fact as recent as last week, I  
14 believe it was Thursday, the City of Richland met with  
15 the Department of Transportation, who had requested a  
16 written description from the City of Richland  
17 describing what happened, how this action occurred,  
18 and also requested that they propose options for  
19 compensation or a restoration plan to address the  
20 installation of the sewer line.

21 So at this point, I am providing this  
22 information to the Council for your information and  
23 will keep you updated. Again, the agreement does  
24 require that any -- any activity such as this be  
25 approved prior to commencement. There is no

1 documentation that the City did -- received any  
2 permission to do this. At this point I am not sure  
3 what is going to happen, but I will keep the Council  
4 updated, as far as any new developments.

5 I would be happy to answer any questions  
6 Councilmembers have.

7 CHAIR LYNCH: Mr. Posner, any final  
8 resolution of this would require some buyoff by the  
9 Council; is that your understanding?

10 MR. POSNER: That's my understanding in  
11 reading the agreement, yes.

12 CHAIR LYNCH: Any other questions for  
13 Mr. Posner?

14 MS. GREEN-TAYLOR: Chair, I have a  
15 question.

16 CHAIR LYNCH: Yes, Ms. Green-Thomas  
17 [sic].

18 MS. GREEN-TAYLOR: You said the party --  
19 the four parties to the agreement were Energy  
20 Northwest, BPA, Department of Energy and --

21 MR. POSNER: The State of Washington.

22 MS. GREEN-TAYLOR: -- the State of  
23 Washington, is that how DOT -- is that where their  
24 relationship with DOT comes in?

25 MR. POSNER: No, DOT -- I'm not sure of

1 all the details, but they actually were involved in --  
2 they put up money for this property. EFSEC provided  
3 over \$1 million. I think the Department of  
4 Transportation was about 60- or \$70,000. They have  
5 received mitigation credits for their contribution,  
6 purchasing this property. My understanding is that  
7 they are getting credit for that, I guess going  
8 towards some of their other projects, as compensation  
9 for some of their other projects.

10 So this action by the City of Richland could  
11 compromise those credits that DOT has been receiving.  
12 They are very concerned about this, as we are.

13 MS. GREEN-TAYLOR: Thank you for that  
14 clarification.

15 CHAIR LYNCH: Any other questions?

16 Thank you, Mr. Posner. And thank you,  
17 Ms. Khounnala.

18 So let's go ahead and move on. Mr. Miller,  
19 Chehalis Generation Facility.

20 MR. MILLER: Good afternoon, Chair Lynch  
21 and Councilmembers. My name is Mark Miller, I am the  
22 plant manager at the Chehalis Generation Facility. I  
23 have no nonroutine issues to report.

24 Any questions?

25 CHAIR LYNCH: We like reports like that,

1 Mr. Miller.

2 Any questions for Mr. Miller?

3 Thank you very much.

4 MR. MILLER: Thanks.

5 CHAIR LYNCH: Mr. Downen, Grays Harbor  
6 Energy.

7 MR. DOWNEN: Good afternoon, Chair  
8 Lynch, Councilmembers. My name is Rich Downen, I'm  
9 the plant manager at the Grays Harbor Energy. I also  
10 have nothing out of the normal to report.

11 CHAIR LYNCH: That's because you heard  
12 what I said to Mr. Miller.

13 MR. DOWNEN: That's right.

14 CHAIR LYNCH: Very good.

15 MR. DOWNEN: I'm a quick study.

16 CHAIR LYNCH: Any questions for  
17 Mr. Downen?

18 Thank you, Mr. Downen.

19 MR. DOWNEN: Thank you.

20 CHAIR LYNCH: Now, if we could get an  
21 update of where we are on the Tesoro/Savage Vancouver  
22 Energy Distribution Terminal. Ms. Bumpus.

23 MS. BUMPUS: Good afternoon, Chair Lynch  
24 and Councilmembers. Thank you. I have quite a few  
25 things to update you on. I'm going to start with ASC

1 review. Cardno ENTRIX's comments on the ASC review  
2 were provided to the Applicant on September 26.

3 CHAIR LYNCH: Excuse me. Just for some  
4 new people here, could you -- you are using the  
5 acronym ASC. If you could just say what that is.

6 MS. BUMPUS: Sure. It's the Application  
7 for Site Certification that we received on August 29,  
8 2013, and then a supplemental ASC was received on  
9 February -- in February of 2014. That is what we are  
10 reviewing currently.

11 There has been additional review happening  
12 since your last update. We did receive more comments  
13 from the Department of Ecology Spills Program, and we  
14 provided those to the Applicant on October 17. We  
15 anticipate receiving more comments from Ecology, and  
16 we are currently reviewing comments that we have  
17 received from the Department of Fish and Wildlife, and  
18 we will be providing those to the applicant either  
19 this week or next week.

20 That's basically where things are with the ASC  
21 review right now. We are not quite done getting all  
22 the information to the applicant, but we will be  
23 getting that to them soon.

24 For the SEPA environmental review, Cardno  
25 ENTRIX, in coordination with us, has begun conducting

1 the gap analysis of all of the materials that were  
2 provided by the Applicant for the Preliminary Draft  
3 Environmental Impact Statement, PDEIS.

4 We expect to receive the detailed gap analysis  
5 with recommendations for how to address the identified  
6 gaps within the next couple of weeks. Obviously a  
7 schedule is something that I think we are all  
8 interested in at this point, and we feel that we will  
9 be able to develop a schedule once we have seen the  
10 gap analysis report and all of the recommendations  
11 that are going to be included in it. But as a general  
12 time frame, we have been aiming for a development and  
13 issuance of a DEIS around the end of this year,  
14 beginning of 2015 time frame, but we will be revising  
15 that depending on what we see in the gap analysis  
16 findings.

17 Another thing I wanted to just include in this  
18 update is regarding Council's review of the DEIS prior  
19 to issuance. We are trying to consider some options  
20 that will be the most timely and most efficient way to  
21 provide the DEIS to Council for their review prior to  
22 its issuance. And originally we favored an option of  
23 providing it in two separate portions, as each of  
24 those became available, but it may be that we change  
25 that and go in another direction. We might provide

1     that document to you as a whole document, in one  
2     single delivery.

3             I just bring it up now just to alert you to  
4     the fact that Staff is still working to coordinate how  
5     best to do that. We will update you with more  
6     information as we get closer to that and let you know  
7     what our approach is going to be.

8             CHAIR LYNCH: Let me interrupt you  
9     there, Ms. Bumpus. And the reason for this change in  
10    how the material is presented to the Council is -- my  
11    understanding is that there is a lot of overlap  
12    between sections and that, if you are just trying to  
13    read a chunk of it, that you would be trying to  
14    cross-reference other parts that you didn't have in  
15    front of you; is that correct?

16            MS. BUMPUS: That's correct, yes. Also,  
17    it's, I think, a matter of time as well. It will  
18    likely be that, because of the overlap, the document  
19    will be complete in a single form, rather than being  
20    able to give you a complete first half and a complete  
21    second half, because there is so much overlap in the  
22    subject areas.

23            CHAIR LYNCH: Do you have anything else?

24            MS. BUMPUS: I do have updates on  
25    permits.

1 CHAIR LYNCH: Please go ahead, and then  
2 I will take Board questions after, when you are done.

3 MS. BUMPUS: Okay. So for the NPDES  
4 industrial and construction permits, you were updated  
5 last month that EFSEC had provided a letter,  
6 August 1st, 2014, with a review of those permit  
7 applications. Since then, EFSEC has coordinated a  
8 meeting with Ecology to discuss the information  
9 requested in that letter, and the Applicant has  
10 indicated that they intend to respond to that letter.  
11 I will be providing you with additional information as  
12 we get it, and we will be coordinating with Ecology on  
13 what their responses to the letter are.

14 This is a new permit that hasn't been  
15 previously updated because there wasn't, I think,  
16 enough progress to provide updates. We didn't have  
17 any definitive information from the Department of Fish  
18 and Wildlife at the time. A Hydraulic Project  
19 Approval permit is anticipated for this project  
20 because of the proposed construction work in and over  
21 water at the marine terminal at Berths 13 and 14. We  
22 do anticipate, and the ASC discusses, the need for an  
23 HPA permit.

24 EFSEC is coordinating with the Department of  
25 Fish and Wildlife to address the issues related to



1 developing an HPA permit, and that is another permit  
2 that I will be updating you on as we make progress.

3 For the notice of construction air permit  
4 application, a revised air permit application was  
5 received on August 11, 2014, and EFSEC is still  
6 coordinating that review with the Department of  
7 Ecology Air Quality Program. More information, again,  
8 will be provided to you once that review has concluded  
9 and we have a determination on its completeness.

10 Does Council have any questions?

11 CHAIR LYNCH: Any questions for  
12 Ms. Bumpus?

13 MS. BUMPUS: Okay. Thank you.

14 CHAIR LYNCH: Thank you.

15 Mr. Posner, do you want to give us the second  
16 quarter cost allocation?

17 MR. POSNER: Yes. In your packets is a  
18 sheet that describes the Non Direct Cost Allocation  
19 for the second quarter fiscal year 2015. We do this  
20 at the beginning of every quarter. We look at our  
21 past work hours, activities that we -- the time we  
22 have spent on the projects, and then project also the  
23 amount of time that we anticipate spending on the  
24 projects for the current quarter, and then calculate  
25 the percentages for the different projects.

1           On this sheet, you can see the different  
2 percentages. I will go ahead and read them off. For  
3 the Kittitas Valley Wind Power Project it is  
4 6 percent; Wild Horse Wind Power Project, 7 percent;  
5 Columbia Generating Station, 17 percent; the WNP-1  
6 Project, 3 percent; Whistling Ridge Energy Project,  
7 3 percent; Satsop Combustion Turbine Project,  
8 10 percent; Chehalis Generation Project, 9 percent;  
9 Desert Claim Wind Power Project, 2 percent; BP  
10 Cogeneration Project, 2 percent; Grays Harbor Energy,  
11 3 percent; and Tesoro Savage, 38 percent.

12           That concludes my presentation. I would be  
13 happy to answer any questions.

14           CHAIR LYNCH: Any questions for  
15 Mr. Posner?

16           Thank you, Mr. Posner.

17           I just have a couple of items I would like to  
18 bring up to the Council. First of all, this is more  
19 for our audience and for the facilities, is the EFSEC  
20 has put together a draft bill regarding its  
21 enforcement, which would update its enforcement  
22 provisions. It has been a long time since those  
23 statutes have been changed, and they are very out of  
24 date. I am working on a second draft bill right now.  
25 Once I get the second draft back from the Code

1 Reviser's Office, I will be forwarding it to our  
2 Regulated Facilities. You can take a look at them and  
3 let us know any comments that you might have.

4 Second of all, Mr. Hayes has told us that he  
5 is moving on to greener pastures. We are very sorry  
6 to see Mr. Hayes leave. We have a little resolution  
7 here, Resolution No. 337, Commending Services of  
8 Department of Natural Resources Councilmember Andrew  
9 Hayes. Whereas, Andrew Hayes was pointed to serve on  
10 the Washington State Energy Facility Site Evaluation  
11 Council, representing the Department of Natural  
12 Resources, effective November 22, 2010; and whereas,  
13 Mr. Hayes still doesn't understand what the acronym  
14 EFSEC stands for -- okay, I made that last part up.  
15 Whereas, Andrew Hayes served with distinction as DNR  
16 Councilmember from November 22nd, 2010, through  
17 October 21st, 2014; and whereas, Andrew Hayes has ably  
18 represented the interests of the citizens of the State  
19 of Washington in Council deliberations during his  
20 service as a DNR Councilmember; and whereas, Andrew  
21 Hayes participated in the reviews of the Whistling  
22 Ridge Site Certification Application, resulting in a  
23 recommendation approved by Governor Gregoire and  
24 upheld by the Washington Supreme Court; and whereas,  
25 Andrew Hayes has actively participated in the

1 Council's activities during the review of the  
2 application filed by Tesoro Savage for the Vancouver  
3 Energy Project, including participation in Public and  
4 State Environmental Policy Act public meetings; and  
5 whereas, Andrew Hayes's patience, judgment,  
6 flexibility and experience have contributed greatly to  
7 the Council's collaborative decision-making process --

8 Is there more than one Andrew Hayes?

9 MR. STEPHENSON: Do we get to vote on  
10 this?

11 CHAIR LYNCH: -- and whereas, Andrew  
12 Hayes has served as an effective and decisive  
13 Councilmember representing DNR.

14 Now, therefore, be it resolved that the Energy  
15 Facility Site Evaluation Council hereby recognizes  
16 Andrew Hayes's vital contribution to the Council over  
17 his term and expresses its gratitude for his exemplary  
18 service and devotion as DNR Councilmember, dated this  
19 21st day of October 21st, 2014, Washington State  
20 Energy Facility Site Evaluation Council, and it is  
21 signed by the members of the Council here.

22 Thank you, Andy.

23 MR. HAYES: I appreciate that.

24 CHAIR LYNCH: I will let other  
25 Councilmembers chime in here. But just speaking as

1 the Chair, it just really was -- made it easy for me  
2 to transition as the Chair having Andy's experience  
3 here on the Council, having someone besides Mr. Moss  
4 actually go through one of these Council hearings, and  
5 knowing that the right side of the dais up here, my  
6 flank was protected at all times.

7 Andy, you have just been -- I just appreciate  
8 how well prepared you come to all our Council  
9 meetings, and not just on Tesoro, but the Columbia  
10 fish screen issue. Every sort of issue that comes in  
11 front of this Council you are prepared, you listen  
12 well, you ask good questions, and we are going to miss  
13 you. I appreciate all your hard work.

14 MR. HAYES: Thank you.

15 MR. MOSS: If I may?

16 CHAIR LYNCH: Mr. Moss.

17 MR. MOSS: Well, Andy, I would like to  
18 say that it is going to be a lonely and somewhat more  
19 daunting task to be guarding the Chairman's right  
20 flank by myself going forward.

21 I would like to say I have served with Andy  
22 throughout his tenure on the Council, and I have to  
23 say, he has brought a great deal to the Council. He  
24 has consistently provided good advice, thoughtful,  
25 insightful comments on all of the matters that have

1     come before us during that period of time. It has  
2     been a pleasure working with you and it is a pleasure  
3     knowing you. I am sure it will continue into the  
4     future. Thank you.

5             MR. HAYES: I hope so. Thank you.

6             CHAIR LYNCH: Mr. Stephenson.

7             MR. STEPHENSON: Thank you, Chair Lynch.

8             Andy, thanks for giving me a good model. I  
9     came in as a new Councilmember not so long ago. You  
10    have given me a good model on how to be a good  
11    Councilmember, and I appreciate that. I am sure you  
12    are going to turn all your secrets over to the next  
13    person down the line from DNR and that will be a good  
14    thing. So thank you, because it is an important  
15    contribution.

16            MR. HAYES: Thank you.

17            CHAIR LYNCH: Ms. Green-Taylor.

18            MS. GREEN-TAYLOR: Andy, I just want to  
19    especially thank you for helping me to articulate any  
20    number of questions that I had. I stumbled over them  
21    and you picked up the ball and ran with it and clearly  
22    stated what I was trying to say. I appreciate that.  
23    Thank you.

24            MR. HAYES: Thank you.

25            MR. POSNER: Chair Lynch, I would just

1     like -- on behalf of myself and the EFSEC Staff, we  
2     certainly appreciate Andy's service to the Council.  
3     It has been great having you as a Councilmember. The  
4     best of luck in your new adventures.

5                 MR. HAYES: Thank you very much.

6                 If I could just say a couple words?

7                 CHAIR LYNCH: Please.

8                 MR. HAYES: First, I would like to  
9     introduce Lily Smith, who is going to be serving as  
10    the DNR representative. I think you are in very  
11    capable hands with her. In addition, she is a lawyer.  
12    Some of you might find that a positive attribute.

13                MR. MOSS: We won't hold it against you,  
14    anyway.

15                MR. HAYES: I just want to say it has  
16    been an honor and a privilege to serve on EFSEC as the  
17    DNR representative. I have really gained an  
18    appreciation for the complexity of the issues that the  
19    State faces with EFSEC and the types of issues that  
20    the Council deals with here every day.

21                I have also been really impressed by the  
22    tremendous commitment the public shows in engaging in  
23    these processes that are difficult and complex and  
24    lengthy, and coming to those meetings and persevering  
25    and offering thoughtful commentary as well, which

1 helps these projects. That has been a great source of  
2 inspiration for me as well.

3 I have a tremendous respect for my fellow  
4 Councilmembers. They have been great to get to know,  
5 they are great to work with, and they serve the State  
6 well. I know they will continue to do so, and I know  
7 Lily will pick up the torch and continue to do that as  
8 well.

9 Lastly, but certainly not least, EFSEC Staff  
10 and our AG, Ann, who work tirelessly. They are kind  
11 of a small crew, and you can see them all right here.  
12 They get a lot done with little resources. They are  
13 always positive and helpful. I really appreciate the  
14 work you guys do.

15 With that, I wish you folks the best of luck.

16 CHAIR LYNCH: Please join me in thanking  
17 Mr. Hayes for his service.

18 (Applause.)

19 CHAIR LYNCH: And seeing no further  
20 business before the Council, we are adjourned.

21 MR. POSNER: One thing. We do have  
22 cupcakes and juice to celebrate Andy's moving on.

23 CHAIR LYNCH: Thank you. We are  
24 adjourned.

25 (Council meeting adjourned 2:02 p.m.)



## C E R T I F I C A T E

STATE OF WASHINGTON

COUNTY OF KING

I, Sherrilyn Smith, a Certified  
Shorthand Reporter in and for the State of Washington,  
do hereby certify that the foregoing transcript is  
true and accurate to the best of my knowledge, skill  
and ability.

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SHERRILYN SMITH

# Kittitas Valley Wind Power Project

## Monthly Project Update

October 21, 2014

### Project Status Update

#### **September Production Summary:**

MWh 19,991 MWh  
Wind 6.3 m/s or 14.5 mph  
CF 27.5%

#### **Safety:**

No incidents

#### **Compliance:**

Project is in compliance as of October 20, 2014.

#### **Sound:**

No complaints

#### **Shadow Flicker:**

No complaints

#### **Environmental:**

TAC meeting on Thursday, October 23.



Below is the monthly operational/compliance update for Wild Horse. Please let me know if you have any questions.

**Wind Production:** September generation totaled 43,973 MWh for an average capacity factor of 25.46%.

**Safety:** No lost-time accidents or safety incidents to report in September.

**Compliance/Environmental:** Nothing to report.



**Energy Northwest  
EFSEC Council Meeting  
October 21, 2014  
(Shannon Khounnala)**

**I. Columbia Generating Station Operational Status**

Columbia is operating at 100% power, generating 1106 megawatts, and has been online for 483 days. This is a power generation record for continuous days online for the station.

There are no other events, safety incidents, or regulatory issues to report.

**II. WNP 1/4 Water Rights**

In early October, Energy Northwest and the Department of Energy received a letter from the Department of Ecology approving the application for water for the WNP 1/4 property. The Department of Ecology plans to issue their final report near the end of October which is followed by a 30 day appeal period. Pending no appeals, the Department of Energy will then receive the water permit for the WNP 1/4 site.



**Chehalis Generation Facility----Monthly Plant Report to the Washington Energy  
Facility Site Evaluation Council – September 2014**

1813 Bishop Road Chehalis, WA 98532  
Phone (360) 748-1300, FAX (360) 740-1891

21 October 2014

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**Safety:**

- There were no recordable incidents this reporting period and the plant staff has achieved 4333 days without a Lost Time Accident.

**Environment:**

- Waste water monitoring results are in compliance with the permit limits for the month of September 2014.

**Personnel:**

- Authorized plant staffing level is currently 19 with 18 positions filled. We have one Control Room Operator position open.

**Operations and Maintenance Activities:**

- The Plant generated 217,027 megawatt-hours at a capacity factor of 62.4% for the month of September and the year-to-date capacity factor is 53.4%.

**Regulatory/Compliance:**

- There were no air emissions deviations, waste-water or stormwater deviations or spills during the month of September 2014.
  - Sound monitoring: There were no noise complaints to report.
-



**Carbon Offset:**

- Engineering design review and request for quotes continuing to put a package together for EFSEC staff to review.

Respectfully,

Mark A. Miller  
Manager, Gas Plant  
PacifiCorp-Chehalis Power  
1813 Bishop Road  
Chehalis, WA 98532  
360-827-6462



September, 2014

EFSEC Monthly Operational Report

1. Safety and Training

- 1.1. There were no accidents or injuries to plant staff during the month of September.
- 1.2. Conducted monthly safety training.
- 1.3. Conducted monthly safety committee meeting.

2. Environmental

- 2.1. Completed dry weather storm water inspection.
- 2.2. Submitted August 2014 Discharge Monitor Report.
- 2.3. Submitted startup and shutdown Best Available Control Technology (BACT) analysis for Units #1 and #2 to the Environmental Protection Agency (EPA) for our air permit amendment.
- 2.4. Received the draft report for RATA and emissions testing.

3. EFSEC Compliance and Discharge Water Treatment

- 3.1. Enhanced outfall sampling continues to better characterize the pollutants in the waste stream.

4. Operations & Maintenance

- 4.1. Grays Harbor Energy operated 30 days and generated 397,717 MWh during the month of September.
- 4.2. The capacity factor (CF) was 89.1% in September, and 29.4% YTD.
- 4.3. The availability factor (AF) was 100% in September, and 93.6% YTD.

5. Noise and/or Odor

- 5.1. There were no complaints received during the month of September.

6. Site Visits

- 6.1. There were no site visitors during the month of September.

7. Other

- 7.1. Grays Harbor is fully staffed with 22 employees.



# Energy Facility Site Evaluation Council

## Non Direct Cost Allocation for 2nd Quarter FY 2015 October 1, 2014 – December 31, 2014

The EFSEC Cost Allocation Plan (Plan) was approved by the Energy Facility Site Evaluation Council in September 2004. The Plan directed review of the past quarter's percentage of EFSEC technical staff's average FTE's, charged to EFSEC projects. This information is used as the basis for determining the non-direct cost percentage charge, for each EFSEC project. In addition, the Plan allows for adjustment due to anticipated work load and the addition of new projects.

Based on the levels of work during the 1st quarter of FY 2014, using the procedures for developing cost allocation, and allowance for new projects, the following percentages shall be used to allocate EFSEC's non direct costs for the 2nd quarter of FY 2015:

Kittitas Valley Wind Power Project	6%
Wild Horse Wind Power Project	7%
Columbia Generating Station	17%
WNP-1	3%
Whistling Ridge Energy Project	3%
Satsop CT	10%
Chehalis Generation Project	9%
Desert Claim Wind Power Project	2%
BP Cogeneration Project	2%
Grays Harbor Energy	3%
Tesoro Savage	38%

  
Stephen Posner, EFSEC Manager

Date: 10/2/14



**Summary of FY 2015 Non Direct Allocation Rates**

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Yr Avg
Kittitas Valley	5%	6%			<b>5.5%</b>
Desert Claim	2%	2%			<b>2.0%</b>
Whistling Ridge	3%	3%			<b>3.0%</b>
Columbia GS	20%	17%			<b>18.5%</b>
WNP1	3%	3%			<b>3.0%</b>
G.H. 1&2	9%	10%			<b>9.5%</b>
Chehalis	9%	9%			<b>9.0%</b>
Wild Horse	7%	7%			<b>7.0%</b>
BP	2%	2%			<b>2.0%</b>
G.H. 3&4	3%	3%			<b>3.0%</b>
Tesoro Savage	37%	38%			<b>37.5%</b>

**Summary of FY 2014 Non Direct Allocation Rates**

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Yr Avg
Kittitas Valley	10%	7%	6%	5%	<b>7.0%</b>
Desert Claim	3%	2%	2%	2%	<b>2.3%</b>
Whistling Ridge	9%	4%	3%	3%	<b>4.8%</b>
Columbia GS	33%	22%	23%	21%	<b>24.8%</b>
WNP1	4%	3%	3%	3%	<b>3.3%</b>
Satsop	12%	9%	10%	11%	<b>10.5%</b>
Chehalis	10%	9%	9%	10%	<b>9.5%</b>
Wild Horse	10%	7%	6%	5%	<b>7.0%</b>
BP	3%	2%	2%	2%	<b>2.3%</b>
G.H. Energy	6%	4%	3%	3%	<b>4.0%</b>
Tesoro Savage		31%	33%	35%	<b>33.0%</b>

**Summary of FY 2013 Non Direct Allocation Rates**

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Yr Avg
Kittitas Valley	13%	13%	11%	10%	<b>11.7%</b>
Desert Claim	3%	3%	3%	3%	<b>3%</b>
Whistling Ridge	9%	10%	15%	15%	<b>12.3%</b>
Columbia GS	23%	25%	25%	26%	<b>24.8%</b>
WNP1	4%	4%	4%	4%	<b>4%</b>
Satsop	12%	11%	11%	10%	<b>11.0%</b>
Chehalis	10%	10%	10%	10%	<b>10%</b>
Wild Horse	10%	10%	10%	10%	<b>10%</b>
BP	2%	2%	2%	2%	<b>2%</b>
G.H. Energy	14%	12%	9%	10%	<b>11.3%</b>

### Summary of FY 2012 Non Direct Allocation Rates

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Yr Avg
Kittitas Valley	11%	13%	12%	13%	<b>12.3%</b>
Desert Claim	2%	2%	3%	3%	<b>2.5%</b>
Whistling Ridge	27%	20%	18%	11%	<b>19.0%</b>
Columbia GS	16%	18%	19%	21%	<b>18.5%</b>
WNP1	2%	3%	3%	4%	<b>3.0%</b>
Satsop	12%	15%	15%	16%	<b>14.5%</b>
Chehalis	10%	8%	10%	9%	<b>9.3%</b>
Wild Horse	9%	10%	9%	8%	<b>9.0%</b>
BP	4%	2%	2%	2%	<b>2.5%</b>
G.H. Energy	7%	9%	9%	13%	<b>9.5%</b>

### Summary of FY 2011 Non Direct Allocation Rates

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Yr Avg
Kittitas Valley	22%	18%	13%	12%	<b>16.3%</b>
Desert Claim	5%	8%	9%	4%	<b>6.5%</b>
Whistling Ridge	21%	28%	25%	28%	<b>25.5%</b>
Columbia GS	9%	12%	18%	18%	<b>14.3%</b>
WNP1	2%	3%	2%	2%	<b>2.3%</b>
Satsop	12%	7%	14%	13%	<b>11.5%</b>
Chehalis	4%	6%	6%	7%	<b>5.8%</b>
Wild Horse	7%	8%	7%	10%	<b>8.0%</b>
BP	1%	1%	1%	1%	<b>1.0%</b>
G.H. Energy	17%	9%	5%	5%	<b>9.0%</b>